

U.S. General Services Administration (GSA)

PRESIDENTIAL TRANSITION “HOT ISSUES” INFORMATION PAPER

SUBJECT: 1. President's Task Force on Puerto Rico
2. Puerto Rico Oversight, Management and Economic Stability Act (PROMESA)

BACKGROUND:

The President's Task Force on Puerto Rico was created to address the issue of Puerto Rico's status. The Task Force helps to improve the treatment of Puerto Rico in federal programs and to provide recommendations on policies that promote job creation, education, health care, clean energy, and economic development in the Commonwealth.¹

The Puerto Rico Oversight, Management and Economic Stability Act (PROMESA) will provide Puerto Rico with the support it needs to restructure its debts, provide fiscal oversight, safeguard vital public services, and protect public pensions.²

1. General Background:

- Executive Order 13517 Amending Executive Orders 13183 and 13494 was released on October 30, 2009 to re-establish The President's Task Force on Puerto Rico.
 - a. The President's Task Force on Puerto Rico's Status (Task Force) was created by President Clinton in 2000. The Task Force's sole focus at that time was to examine proposals for Puerto Rico's future status and for a process by which Puerto Ricans could choose a status option. President Bush continued the Task Force's sole focus on the issue of political status. The Bush Administration's Task Force issued reports in 2005 and 2007.³
 - b. In March of 2011, the Task Force submitted a report containing recommendations relating to the question of status and expanded economic opportunity for Puerto Rico.
- On June 30, 2016 President Obama signed bi-partisan legislation (S. 2328) Puerto Rico Oversight, Management and Economic Stability Act (*PROMESA*) Public Law No: 114-187 (06/30/2016).
 - a. Addresses the fiscal crisis in Puerto Rico and creates the Oversight Board that is an entity within the Government of Puerto Rico and that is not considered to be a department, agency, establishment, or instrumentality of the Federal Government (Section 101(b)).
 - b. The purpose of the Oversight Board is to provide a method for a covered territory to achieve fiscal responsibility and access to the capital markets (Section 101(a)).

¹ Executive Order No.13517, 3 C.F.R. 266 (2010).

² The White House, Office of Intergovernmental Affairs. "White House Task Force on Puerto Rico: A Roadmap for Congressional Action to Address the Crisis in Puerto Rico"
<https://www.whitehouse.gov/administration/eop/iga/puerto-rico> (October 2016).

³ Report by the President's Task Force on Puerto Rico's Status March 2011 (October 2016).

- c. GSA's involvement listed below in "actions planned and required" section.
- Impact on GSA's Customers:
 - N/A
- Impact on the Private Sector and State & Local Governments:
 - The PROMESA Board may use GSA to identify office space in San Juan, Puerto Rico; Washington, D.C.; and New York, New York, in addition to addressing IT and other support needs for the office and their employees.

2. ACTION(S) PLANNED OR REQUIRED:

GSA Actions:

- a. Section 102. Location of Oversight Board Requires the Oversight Board to maintain offices in the territory it oversees and the authority to have offices in other locations as it sees fit. Furthermore, it authorizes federal agencies to provide facilities and equipment for the Oversight Board to use.
- b. Section 104(n) Administrative Support Services. Requires GSA or other Federal agencies to provide, on a reimbursable or non-reimbursable basis, the administrative support services necessary for the Oversight Board to carry out its responsibilities under the Act.
- c. Sec. 406: Purchases by Territory Governments -
Authorizes the Government of Puerto Rico to make purchases through GSA.

3. KEY STAKEHOLDER INTEREST:

- a. Puerto Rico territorial and local governments
- b. PROMESA Board
- c. U.S. Senate and House of Representatives
 - 1. Congressman Serrano
 - 2. Congresswoman Velazquez.
- d. GSA
- e. The President's Task Force on Puerto Rico

4. FISCAL YEAR 2017/2018 BUDGET IMPACT:

- a. The PROMESA Board will fund any support needed from GSA. There should not be an impact on GSA's FY2017-18 budgets. GSA is identifying reimbursable solutions for PROMESA Board.